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Honorable John N. Hughes
Attorney at Law
124 West Todd Street
Frankfort, KY 40601

July 31, 2006

RE: Case No. 2006-00327

We enclose one attested copy of the Commission's Order in the above case.

Sincerely,

A handwritten signature in black ink, appearing to read "Beth O'Donnell".

Beth O'Donnell
Executive Director

BOD/jc
Enclosure

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE JOINT APPLICATION OF SANDY)	
VALLEY WATER DISTRICT, SOUTHERN)	
WATER AND SEWER DISTRICT AND THE)	CASE NO.
CITY OF PIKEVILLE FOR APPROVAL OF THE)	2006-00327
TRANSFER OF FACILITIES AND FOR THE)	
ASSUMPTION OF DEBT BY SOUTHERN)	
WATER AND SEWER DISTRICT)	

ORDER

Sandy Valley Water District (“Sandy Valley”), Southern Water and Sewer District (“Southern District”), and the city of Pikeville, Kentucky (“Pikeville”) (jointly “Petitioners”) have applied to the Commission for authority to transfer Sandy Valley’s existing water assets and customers to Southern District and Pikeville. Southern District further applies for authority to assume certain of Sandy Valley’s debt obligations.

In their application, Petitioners request a deviation from Administrative Regulation 807 KAR 5:001, Section 6, which requires the submission of a detailed financial exhibit for the period ending not more than 90 days prior to the date of the application. More specifically, Petitioners request permission to deviate from Administrative Regulation 807 KAR 5:001, Sections 6(4), 6(5), 6(6), 6(7), and 6(9), which specify the contents of a financial exhibit. Petitioners also request permission to deviate from Administrative Regulation 807 KAR 5:001, Section 11(2)(b), which requires an applicant seeking to assume debt obligations to submit copies of all of its trust deeds or mortgages with its application.

Administrative Regulation 807 KAR 5:001, Section 14, provides the Commission with the authority to permit deviations from its rules of procedure for good cause shown. Having reviewed the filing and being otherwise sufficiently advised, the Commission finds that the information in question is necessary for a thorough review of Petitioners' application and that Petitioners should comply with the requirements of Administration Regulation 807 KAR 5:001, Section 6, and 807 KAR 5:001, Section 11(2)(b).

IT IS THEREFORE ORDERED that:

1. Petitioners' request for permission to deviate from Administrative Regulation 807 KAR 5:001, Sections 6(5), 6(6), 6(7), and 6(9), is denied.
2. Petitioners' request for permission to deviate from Administrative Regulation 807 KAR 5:001, Section 11(2)(b), is denied.
3. Within 15 days from the date of this Order, Petitioners shall file with the Commission the information required by the above-cited regulations.
4. The statutory time period in which the Commission must complete its review of the Joint Applicants' Petition will not commence until the Joint Applicants have fully complied with Administrative Regulation 807 KAR 5:001, Sections 6 and 11.

Done at Frankfort, Kentucky, this 31st day of July, 2006.

By the Commission

ATTEST:



Executive Director